



Inside Ag *July 2009*

Changes to the Farm Products and Commodity Handler Acts

During 2008, the ***Farm Products and Commodity Handler Acts***, administered by the Colorado Department of Agriculture (CDA), underwent sunset review by the Colorado Department of Regulatory Agencies (DORA). Sunset reviews are conducted on a regular basis for every state program that issues licenses to determine if the law and corresponding regulation are still serving an important purpose for the people of Colorado.

DORA'S review of the ***Farm Products and Commodity Handler Programs*** resulted in a report, [2008 Sunset Review: Farm Products Act and Commodity Handler Act](#), which was presented to the 2009 Legislature. This report recommended the continuation of the Farm Products and Commodity Handler Acts. Other amendments to increase the effectiveness of the programs were also recommended. The amendments, contained in [SB 09-114](#), was passed by the Colorado General Assembly, signed by Governor Ritter during the 2009 Legislative Session, and will become effective on July 1, 2009.

The following is an explanation of the changes to the Farm Products and Commodity Handler Acts that are contained in SB 09-114:

Continue the Farm Products and Commodity Handler Acts for 11 years, until 2020.

The purpose of the Acts is to insulate agricultural producers from financial harm that could have devastating effects if a Farm Products Dealer or Commodity Handler is unable to pay for farm products or commodities purchased from producers. To provide adequate protection to producers, CDA administers a regulatory framework that includes licensing, including a surety bond requirement, and comprehensive financial examinations.

Require Farm Products Cash Buyers to pay a license fee.

Currently, a Farm Products Cash Buyer is required to obtain a Dealer License from CDA prior to operating as a Dealer in Colorado. Although a Farm Products Cash Buyer is required to obtain a license from CDA, no license fee is required. Since license fees are assessed to assist in paying the cost of regulating this industry, Farm Products Cash Buyers will pay the same license fee as Small-Volume Dealers.

Authorize Small-Volume Dealers to purchase both farm products and commodities.

The majority of Colorado Small-Volume Dealers sell produce. These Dealers also sell dry edible beans (such as pinto beans) at their produce stands. Pinto beans are classified as commodities and in order to resell them, a Small-Volume Dealer is required to obtain a Commodity Handler license. A Small-Volume Dealer will now be allowed to purchase commodities, as long as the combined farm products and commodity purchases do not exceed the purchase levels permitted for a Small-Volume Dealer.

Other changes include:

- Clarification of the Commissioner's authority to have unimpeded access to all properties and records pertaining to a Farm Products dealer or a Commodity Handler's business any time the business is in operation, and not just during regular business hours
- Repeal of the statute specification for the late filing date for license renewal and authorization for the Commissioner to establish the license renewal date in rule
- Removal of the Commodity Handler Agent license requirement
- Removal of the Commissioner's authority to investigate complaints against transporters.

For additional information, please go to: [Farm Products Programs](#), or contact the Colorado Department of Agriculture Farm Products and Commodity Handler Programs at (303) 477-0054.